

## **Exhibit B**

## HEALTHCARE CASH MANAGEMENT ACCOUNTING PROCESS

### INVENTION/IDEA

The patent idea is to produce a secure and automated workflow process to account for the daily revenue activities that occur in the healthcare industry. The actual patent package would contain the revenue workflow process which incorporates the use of an electronic cash register that has been programmed with additional functions to facilitate the full method of collecting payments, balancing cash, accounting for these transactions and reporting for a single or multi-entity healthcare facility.

### **Background:**

Hospitals receive income by providing a community of people various types of inpatient and outpatient medical services. Approximately 80% of the hospital's income comes from medical insurance reimbursements and patient out-of-pocket co-payments and deductibles. In addition to insurance and patient income, a healthcare facility may receive income from their employee cafeteria, parking garage, gift shop, coffee shop, as well as, income from other entity affiliates such as physician practices, foundations, education and research, just to name a few. The challenge for healthcare facilities today are to have one centralized mechanism that is capable of managing the collection, balancing, accounting and reporting of cash that also incorporates appropriate cash controls. Government healthcare reimbursement cutbacks, and rising healthcare out-of-pocket costs for consumers contribute to the growing need for this cash control system. Now, more than ever, healthcare facilities need to know exactly where their cash is coming from so that they can project future trends.

### **Business Process:**

The idea of utilizing a cash register to manage the daily income for a hospital comes from recognizing that a cash register has built in cash controls and is capable of categorizing income and, with some modifications, can be employed in other types of businesses. For example, lets compare the daily transactions that occur in a retail business chain like a Macy's or K-Mart to the daily transactions that occur in a healthcare facility. Within each store, there are several departments or department keys displayed on the cash register that account for individual categories of sale items, for example, shoes, jewelry, children's clothing, house ware etc. For a healthcare facility, these department keys on the cash register can be programmed to display the hospitals income categories received from the various insurance payers, for example, Medicare, Blue Cross, HMO's, third party payers, bad debt agency payments, patient payments, etc., pretty much any type of income that the facility would want to track. As each transaction is rung into the register receipts are produced that can be utilized during the daily cash settlement process where reconciliation between the cash register reports, receipts produced from the register and the actual currency would have to balance. Both type of entities must assure that their daily cash transactions are balanced and the money is prepared for deposit into their financial bank account.

In addition to the concrete cash transactions that transpire daily, healthcare facilities sometimes receive money that is automatically deposited directly into their bank account and is not received "over the counter". This income could be in the form of electronic payments from patients or insurance companies, wire transfer monies from other affiliates, lock box deposits and credit card reimbursements etc. Entering these amounts into the cash register on the day they are received and then deducting the cashless totals will balance to the actual cash deposit.

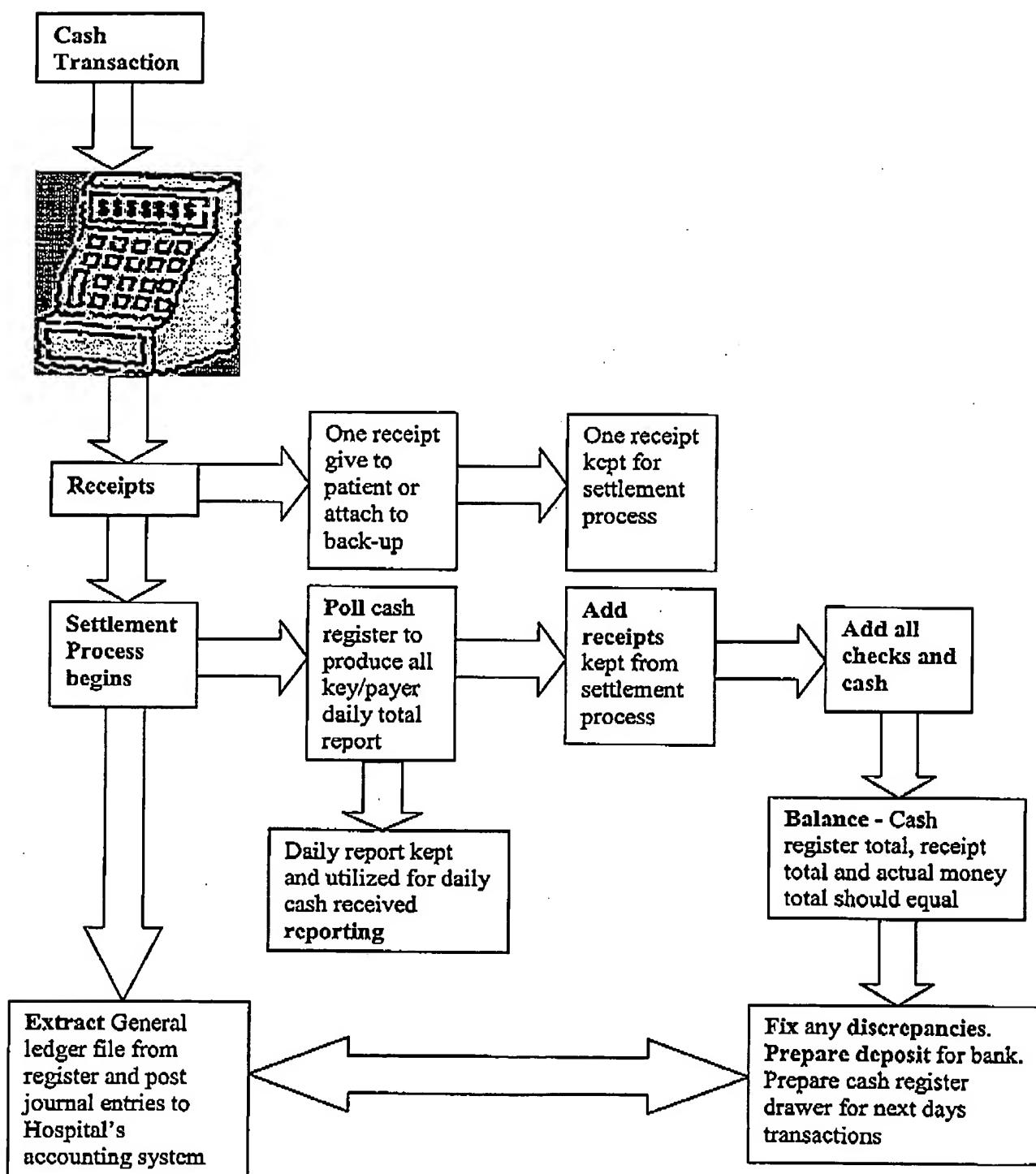
Internally, the retail store and the healthcare organization must also financially account for all of their daily income by appropriately journalizing these transactions. This can be achieved by making programming changes to the electronic cash register for the healthcare facility. A retail store has inventory numbers coded into the register that identifies and accounts for the item being purchased. The idea would be to program the cash register to replace the inventory numbers with the healthcare facility's general ledger account numbers so that the total amount of the cash received from a particular payer (department key) can be tracked. Furthermore, create the ability to, when initiated, compile these general ledger account numbers into a file that will generate automatic transactions to post journal entries to the facilities general ledger accounting system (Debit to the cash account and a credit to the general ledger account number associated with the payer/department key). As part of the settlement process, the register can be "polled" or initiated to produce a report that displays the individual transactions and totals of each payer/department key. The register is also capable of storing the daily cash totals and producing a monthly report that will display the month end totals of each individual payer/department key. This report can be used for the facilities bank statement reconciliation, to determine month end unposted cash figures, which is needed to establish actual account receivables days calculations, the ability to review case mix ratios, and institute cash forecasting.

Sometimes hospitals receive non-sufficient fund return checks that need to be accounted for by reversing the initial transaction. The electronic cash register also has the capability to disburse refunds, calculate discounts and easily reverse transactions etc. Monthly bank reconciliation is effortless because with this process, all daily cash received will equal the deposit amount listed on the bank statement.

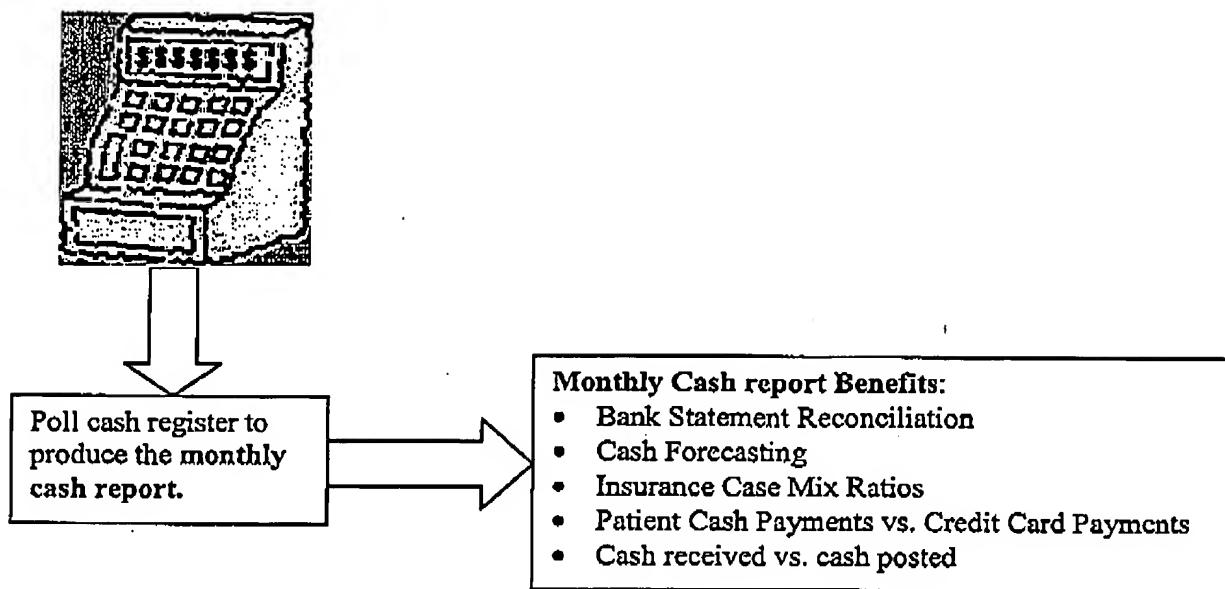
Another comparison between the retail business and a healthcare business is that a "chain" retail store has several store locations that must report the financial status of the individual store, as well as, the company as a whole. A multi-entity healthcare system also has several facilities that need to report their financial status as an individual entity, as well as report up to the corporate level of the organization. The solution to this financial reporting is to place one electronic cash register in each hospital, (Cashier's area) where all of the departments have one centralized place to make deposits. At month's end, each facilities income data can be pulled from the cash register to produce a combined entity report that will display the cash income totals for the system as a whole. This business cash register solution incorporates a secure and controlled cash process that can be easily implemented with minimal costs.

## Diagram of Healthcare Collection and Settlement Process

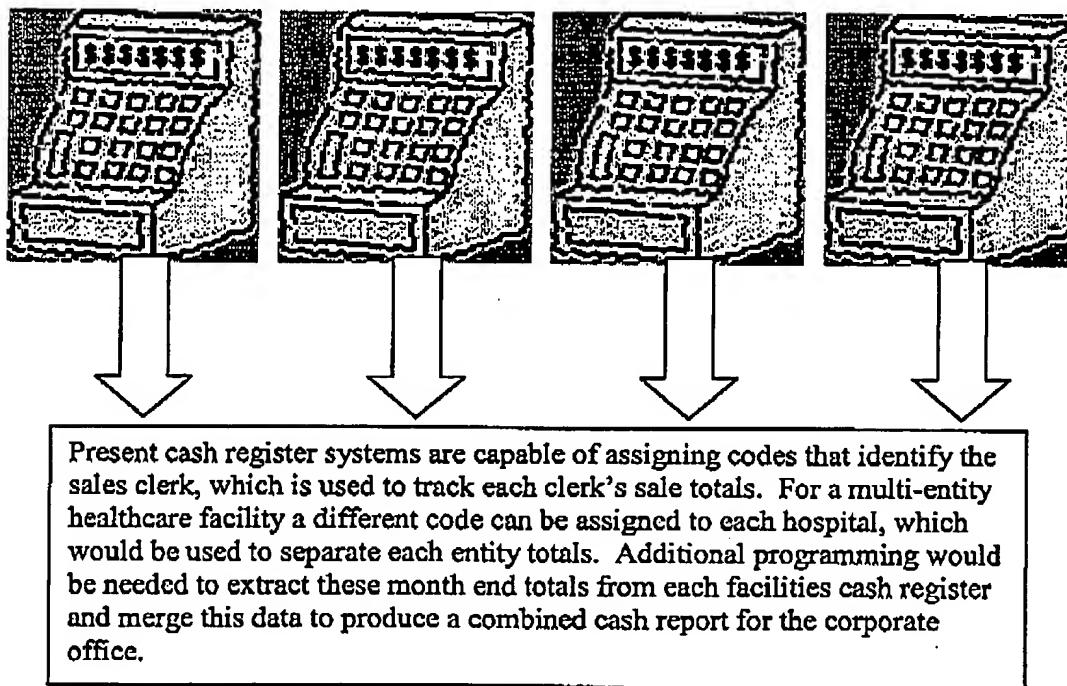
### Single Entity



## Month End Cash Reports – Single Entity



## Month End Cash Reports – Multi-entity - 4 Facility Example



### Conclusions and Suggestions:

If it is determined that this idea is not "patent-able", I would like to request that this cash management solution be considered for future development within the financial business segment. Presently, Siemens does not have a product or solution to track revenue for our healthcare customers. It is truly the "missing link" between INVISION Patient Accounting and our General Financial Systems. A "controlled" debit to cash journal entry is definitely needed in healthcare facilities because presently, the hospital's accounting staff must manually gather the cash information from all of the various revenue producing departments in their facility. Usually, this information is not obtained on the day that it is deposited and ultimately, creates difficulty balancing and can underestimate month end receivables. Now, more than ever, healthcare facilities must keep track of their money to be able to project future trends so that they can make intelligent financial decisions to stay in business.

If this idea is deemed as a new product, I would also like to propose that Siemens considers partnering or affiliating with a cash register company who is familiar with the programming capabilities of this machine. Siemens would benefit from this affiliation by being able to supply the cash register machine to our customers and work together with the register company to develop the programming changes and interfaces needed to fulfill the healthcare cash management solution. The idea of breaking into the acute healthcare market and the benefit from promoting to Siemens already established market of customers, may interest a cash register company to establish a profitable relationship with us. I am inexperienced with the affiliation process and how this partnering would work, however, I think that this approach is the best way to achieve this solution quickly and in the most cost effective way.

If Siemens long-term goal is to be able to provide a complete clinical and financial solution for our customers, then it would be advantageous to consider this cash management system. I envision that this new product could be packaged and sold to our customers as an "add on" enhancement for Siemens INVISION and SOARIAN financial products.